

Full Form Accounts 2012/13

professionalism

integrity

excellence

TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the year from 1 April 2012 to 31 March 2013. The Chartered Institute for Securities & Investment ("CISI") is registered as a charity in England & Wales by the Charity Commission (Registration No. 1132642) and in Scotland by the Office of the Scottish Charities Regulator (Registration No. SC040665). The company was incorporated by Royal Charter (Registration No. RC00834), and is governed by said Charter and its associated Bye Laws. The group results combine the results of the charity with the results of the following:

- Chartered Institute for Securities & Investment (Services) Ltd, a wholly owned subsidiary, which runs the trading activities of the Institute.
- Securities & Investment Institute, a registered charity number 1036566 and a company limited by guarantee, governed by a memorandum and articles of association, company registration number 2687534. The company is dormant and a wholly owned subsidiary of CISI.
- Securities & Investment Institute (India), a wholly owned subsidiary, established in Mumbai and which acts as a liaison office for the Indian subcontinent.
- Chartered Institute for Securities & Investment (Singapore) Pte Ltd, a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Singapore, which runs the trading activities of the Institute in South East Asia.
- Securities & Investment Institute (China), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in the People's Republic of China, which runs the consulting activities of the Institute in China.
- Chartered Institute for Securities & Investment (Services) Ltd (DMCC Branch), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Dubai, UAE which runs the consulting activities of the Institute in the Gulf Cooperation Council Countries.
- Chartered Institute for Securities & Investment (Services) Ltd, a legally registered Sri Lankan branch office of the UK company of the same name, which also provides operational support for the global activities of the Institute.

INVESTMENT POWERS

The Institute's Charter provides the Board with the power to invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to such conditions and with such sanction as may for the time being be imposed or required by law.

ORGANISATION

The Institute comprises the non-executive Board of Trustees shown below, including up to three Board appointed co-opted Trustees, which decides upon strategic and policy matters. The executive staff are organised into the departments of qualifications, membership & professional development, operations, international, corporate governance & support and services (Chartered Institute for Securities & Investment (Services) Ltd).

Chief Executive

Simon Culhane, Chartered FCSI

Director of Global Business Development

Kevin Moore, Chartered MCSI

Managing Director

Ruth Martin

Global Director of Finance and IT

Edward Brunel-Cohen, FCA MCSI

Trustees

The following individuals all served as Trustees throughout the year (except where noted).

	Committee
Robert Barnes, Chartered FCSI	
Charlotte Black MCSI	H, J
Fionnuala Carvill, Chartered FCSI	L
Richard Charnock, Chartered FCSI	E
Philippa Foster Back *	E
Chris Harris-Deans, Chartered FCSI	F
Paul Hedges, Chartered FCSI	F
Sir David Howard FCSI(Hon)	B, H, J
David Kane *	
Frank Moxon, Chartered FCSI	C, F
David Nicol, Chartered FCSI	C, H, J
Nick Parkes, Chartered FCSI	A
Tony Stewart-Jones FCSI	C, E
Richard Stockdale, Chartered FCSI	
Nick Swales, Chartered FCSI	B, D, F, K
Alison Warden FCSI (Resigned 6 September 2012)	C
Richard Wastcoat *	I, J
Martin Watkins, Chartered FCSI (Appointed 6 September 2012)	F
Alan Yarrow, Chartered FCSI(Hon) (Chairman)	F, G, H, I, J

* denotes a co-opted Trustee

The Trustees, all of whom are non-executive, are elected by the members (except for co-optees who are appointed by the Board) at the Annual General Meeting for a term of office of three years. None of the Trustees had any interest in the company or its subsidiaries.

The Trustees served on the following Committees:

A	Accredited Body
B	Examinations Board
C	Audit Committee
D	Education
E	Integrity & Ethics Committee
F	Membership Committee
G	Securities & Investment Review Editorial Panel
H	Nomination Committee
I	International Committee
J	Remuneration Committee
K	Investment Committee
L	Educational Trust

CHARITABLE OBJECTIVES

The Institute's charitable objectives are to:

1. promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investments;
2. develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas; and
3. act as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investment in securities.

A full description of the activities undertaken by the CISI in pursuit of its charitable objects can be found in the published annual report or online at the CISI's website (www.cisi.org).

REVIEW OF ACTIVITIES

The financial results for the year were satisfactory. Including unrealised investment gains of £300,697, the Institute recorded a retained surplus of £853,327 (£699,966 in 2011/12) on a turnover of £11.77m (£11.65m in 2011/12).

Income increased by £131,000 (1%), while expenditure increased by £237,000 (2%).

Reserves have increased from £7.15m to £8.00m after the Board made a significant donation of £250,000 to the CISI Educational Trust, which is a charity in its own right with a separate Board of Trustees.

Charitable Objective 1: How the CISI promotes, for the public benefit, the advancement and dissemination of knowledge in the field of securities and investments.

ATTAINING COMPETENCE

Overall the volume of examinations taken this year was very much in line with last year at slightly in excess of 41,000 sittings.

This last year was the year of the Retail Distribution Review in the UK, when all existing retail investment advisers had to comply with higher standards of qualifications by the end of 2012. Those already possessing certain high level examinations taken sometimes many years ago were allowed to fill the gaps between their original curriculum and the new curriculum. Consequently in the UK, the most noticeable exam trends were those associated with the Retail Distribution Review (RDR). Bookings for the Investment Advice Diploma in the year were over 6,000, whereas there were some 3,600 last year. Those achieving the full qualification, which involves at least three separate exams, rose from 378 in 2011/12 to 1,048 in 2012/13 as advisers prepared to comply with the RDR.

Bookings for higher-level qualifications were dominated by the Certificate in Private Client Investment Advice & Management (PCIAM), again reflecting the imminence of the RDR deadline in 2012. PCIAM continued to be the CISI qualification of choice for existing advisers preparing for the RDR. In the five sittings between April and December 2012, 1,718 candidates sat the exam, achieving a pleasing average pass rate of 68%.

This year also saw the CISI provide further support for candidates using existing higher-level qualifications which require gap-fill (structured learning targeted at areas of the RDR standards not covered by the qualification).

While the RDR is specifically a UK initiative, the CISI has signed agreements with a number of overseas regulators whose qualifications are partly portable for the RDR. For holders of qualifications gained from the US Financial Industry Regulatory Authority (FINRA), the Japan Securities Dealers Association and the Japan Securities Analysts Association, we provide a gap-fill and examinations package approved by the UK Regulator.

During this year work began on the development of a Level 4 International Certificate in Wealth Management, designed to follow on from the existing Level 3 qualification for our more sophisticated overseas markets, such as India. Also in development in 2013 was the Masters in Capital Markets, a higher-level pathway which, building on Level 3 foundations, culminates in a paper which blends existing Diploma units in Financial Derivatives and Fund Management. Work also commenced on a Level 4 Operational Risk syllabus, aimed at providing a manageable progression route from the Level 3 Operational Risk unit for practitioners in this area. For our growing Middle East market, a bespoke syllabus was finalised for the Palestine Financial Regulator. Palestine Securities Sector Rules and Regulations goes live in English and Arabic later in 2013.

The CISI has continued to expand its offering to schools and colleges by introducing new qualifications and learning materials. The Diploma in Finance, Risk and Investment was launched in October 2012 and has been developed specifically to be taught to year 12 and 13 students. The qualification is divided into two certificates; the well-established Certificate for Introduction to Securities & Investment and the new Certificate in Finance, Risk and Decision Making. The combination of these two leads to the Diploma in Finance, Risk & Investment, an academic qualification which aims to develop students' financial awareness and enterprise skills.

Fundamentals of Financial Services, also launched this year, is the CISI's first Level 2 award, aimed at newcomers to the financial services, whether in school or in employment; we especially hope that it will inspire more young people to pursue a career in financial services.

Two higher-level pathways were examined for the first time this year. An updated Level 6 Diploma in Investment Compliance now incorporates a Level 4 regulatory paper and specialist compliance options, and practitioners can now build upon the CISI's Certificate in Corporate Finance to demonstrate a high level of professional competence by taking the Level 6 Diploma in Corporate Finance.

Revision Express Interactive (REI) is a key revision aid for candidates about to sit CISI examinations. All REI questions are reviewed by subject specialists to ensure they are of the required standard for the qualification.

Over the past year the CISI Educational Trust has received further funding from the CISI and has healthy reserves in excess of £750k. The Trust continues to offer scholarships and prizes in the educational sector. The Trust has also sponsored a full-time teaching post, at Bruntcliffe School in Leeds, and will be sponsoring a further school in Liverpool in the forthcoming year.

The year was dominated by substantial change in the maintained schools sector in the UK and as the year ended the CISI was responding to a range of consultation documents which should provide the CISI with an even stronger platform to penetrate the sector. Progress has continued with universities at postgraduate level and we have increased our designated Centres of Excellence from seven to eleven, recognising each Centre as providing excellence in the field of finance in their Masters programmes.

Seven years after opening its first international office, the CISI's international work continues to develop through its offices in Dubai, Mumbai, Singapore and Sri Lanka.

The number of exams taken outside of the UK continued to grow, with 8,700 exams sittings taking place during the year in 70 different countries around the world.

MAINTAINING COMPETENCE

This year witnessed the most significant rise in qualified core membership of the last ten years, driven by the Retail Distribution Review in the UK, which effectively compels retail investment advisers to join a professional body.

Taking into account the normal lapsing of members which takes place each year, we achieved, net, some 2,000 new qualified core members. At the end of March 2013, there were 19,400 core members and more than 16,000 student members.

The Institute has introduced a new membership designation, Chartered Wealth Manager, and by the end of the year, some 1,300 members, all with top level qualifications, had attained that designation.

The Institute has initiated a review of its CPD scheme following the introduction of RDR. The revisions are being developed and will be released later in 2013. All members using the Institute's CPD scheme, or a firm's CISI-accredited CPD scheme, are liable to be selected for audit. In 2012 over 20% of our members were selected for audit. Auditing of members has become more important as more of the Institute's members are required to complete CPD, either due to the RDR or individually Chartered status.

The CISI has been a trailblazer in responding proactively to the opportunities of new technology. The aim is to ensure that wherever members are based in the world, CPD is available easily and cost effectively. We are continually improving our IT applications in this area so that members are able to learn and automatically log their CPD time online.

Since its launch, CISI TV has been a popular way for members, both in the UK and overseas, to access events that they may not have been able to attend in person, whilst automatically updating their CPD logs. In December the decision was made to bring technology in-house, and recruit a videographer. This has created an improved service to members, with a higher quantity of content and a much quicker turnaround. Its success has been evidenced by the rise in the number of viewings, from averaging around 1,700 a month to over 4,000.

Professional Refresher, which is free to all CISI members, is an online training solution which helps members to remain up-to-date with industry developments, maintain regulatory compliance, and demonstrate continuing learning. There are currently 45 modules available, which address both UK and international issues. When a module test is successfully passed, members are able to download a certificate of completion and the time is automatically recorded as active CPD learning in the member's CPD log.

The CISI ran a record 83 fee-based CPD training courses in the last year, attracting over 1,000 attendees. The primary focus was providing RDR qualifications gap-fill courses for those who needed to meet the new regulatory standard prior to applying for an SPS.

2013 was also the start of an exciting new project to replace printed documentation at CPD training courses with documentation on iPads, continuing our quest to provide the best possible service and to stay at the forefront of technology. Course attendees are able to annotate the presentations directly on the tablets, and then retain a copy for future reference by email.

Including those for which no charge is made, the CISI welcomed in excess of 11,000 members to events during 2012/13 (a record), with more events than ever for regional members.

The Professional Forums and Interest Groups attracted an outstanding 4,491 attendees over the last year. They are proving to be a very highly valued membership benefit.

During the year, the Institute spent £7,575,776 in the pursuance of this charitable objective, which was very similar to the amount spent in the preceding year.

Charitable Objective 2: How the CISI seeks to develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas

The Institute's continuing public promotion of the "Integrity message" has resulted in our profile being raised significantly such that we are approached regularly to provide a response to high profile instances of significant lapses in integrity within financial services firms.

In addition, we have made submissions to the Parliamentary Commission on Banking Standards drawing particular attention to the continuing disparity in professional standards required between those requirements imposed upon our core membership, who work in the retail financial advice area, and the absence of similar standards required of people working in "wholesale" areas within financial services which has been the source of many of the high profile problems associated with financial services.

Our highly successful series, Grey Matters, which provides the feedstock for many of the CISI's other integrity initiatives, has now been running for eight years during which time 65 dilemmas have been offered to readers of the Securities & Investment Review. Publication of the dilemmas on the CISI website has enabled an increasing number of members to participate actively by voting on our website and leaving comments to support their vote.

Our universally popular seminar, Integrity at Work, continues to be offered to audiences in all of the centres where we are represented and the year under review saw seminars being held additionally in Bangladesh and the Philippines. The presentation has also been made to a large number of students at our expanding network of Centre of Excellence university partners as a part of our mission to instill the need for high standards of integrity from the outset.

The year saw the Institute building on the widespread acceptability of *IntegrityMatters* as a valuable tool for raising awareness of the need for high standards of ethics and integrity. In addition to requiring an increasing range of CISI membership categories to gain a grade A result in *IntegrityMatters* as part of their membership commitment, the Institute announced in January 2013 that, with effect from April 2013, all UK candidates for our Capital Markets level 3 certificate exams are required to obtain a grade A or B result in the *IntegrityMatters* test as a pre-requisite to sitting their exam.

Resources expended during the year in connection with this charitable objective amounted to £873,641, which was an increase of 9% over the amount spent in the preceding year.

Charitable Objective 3: How the CISI acts as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investments in securities.

This year was a high-profile one as a result of RDR, and the CISI continued to support firms and individuals through the provision of advice and qualifications, and also ran a very successful series of RDR Roadshows. There were 15 held in early 2013, and a total of 501 people attended across the regions. We also answered over 13,000 emails through our bespoke RDR inbox.

Three booklets of guidance for advisers on all aspects of the professionalism strand of the RDR were produced, and one covering the Jersey Regulator's cognate Review of Financial Advice.

The Securities & Investment Review continued to help CISI members around the world maintain their competence by providing topical analysis of key developments within the financial services industry.

The agenda-setting content of the Review was highlighted by media interest in its leader column, City View. This was particularly evident with a column that called for the UK Government to speak out against the Foreign Account Tax Compliance Act (FATCA), US legislation that will impose costs on firms that work with US clients.

A digital-magazine version of the Review was launched during the year, enabling members to read the edition on their computer, smartphone or tablet as if they had the printed copy in front of them. As a result, more than 2,000 members opted to receive the magazine digitally rather than in printed form.

Our publication, The Investment Management Review, provides comprehensive coverage and analysis of the latest key global developments across all sectors of the asset management industry. The aim of the publication is to raise awareness of issues of potential long-term significance, ignoring areas of short-term consequence.

Our website surveys continue to garner member interest and input, with themes such as gauging confidence in the UK economy and whether the UK should support the IMF to help troubled economies. The member survey that clearly touched a nerve with the world's media declared that two-thirds of financial services professionals have little or no trust in the British banking industry, with only two per cent rating the banks totally trustworthy. The survey attracted mentions in 300 global media.

The manifestation of the LIBOR fixing scandal meant that we were much sought after for industry opinion. Our response, that London's reputation as an international financial services centre was as a result of perceived emphasis on trust and integrity in the market and that the scandal would damage London's reputation, was widely reported.

Costs incurred in connection with this charitable objective during the year amounted to £2,693,018, compared to £2,522,446 in the previous year.

How the CISI provides Public Benefit

Whilst the Institute's primary function is to provide education for the public, it is conscious that it has a public service obligation and, as well as general education, the CISI has continued its commitment to provide wider general access, regardless of means.

During the year, the CISI:

- Provided free reference copies of its foundation workbooks to libraries throughout the UK.
- Worked with members and firms in schools and colleges to provide information, mentoring and support for students working towards CISI qualifications or considering a career in financial services.
- Offered reduced membership and exam packages to full time students and the financially disadvantaged in the UK and abroad.
- Worked with schools and colleges, running free 'train the trainer' events to prepare teachers to teach courses that will allow students to sit our exams.
- Provided free and paid CPD events to members and the general public to raise awareness of good practice and ethical dealing within the securities and investment industry.
- Worked with other professional and charitable bodies, offering our knowledge and expertise to help advance appropriate projects.
- Offered Charity Days: CISI employees can take a charity day each year to work for a charity or on a community project of their choice, for example one of the CISI's employees is a member of the youth offending panel working in Lewisham.
- Provided scholarships administered by the CISI Educational Trust for various competitions in the field of securities and investment.

FUTURE ACTIVITIES

The CISI's key objectives for 2013/14 are to:

1. Continue to expand our overseas exams network in order to further our global objective to advance knowledge in our field, aiming to supply at least 9,500 sittings during the year.
2. Advance our standing as an authoritative body by increasing our presence in the world of social media, and particularly aiming to reach 7,000 followers on LinkedIn and Twitter.
3. Continue to expand our online CISI TV offering, with the aim of covering at least 60 events, in order to improve the CPD experience for our membership.
4. Facilitate the SPS issuing process for our members by making renewal applications available online by 31 July 2013.
5. Enhance our involvement in the field of further/higher education by the introduction of three new elearning interactive workbooks for students by 30 September 2013.
6. In pursuit of our charitable objective to develop high ethical standards for practitioners, we intend to introduce our Integrity Matters programme to at least two major organisations in our sector, achieving a minimum target audience of 1,000.

REVIEW OF FINANCIAL POSITION

The Institute has continued to maintain its healthy financial position, with free reserves now nearing 8½ months' operating costs, considered by the Trustees as prudent (see reserves policy below). This year the Institute saw an increase in group funds of £853,327 (2012: £699,966). During the year, funds were applied towards achieving the Institute's main objectives through the provision of relevant qualifications, membership, events and learning resources.

The Institute's wholly owned UK subsidiary trading company, which is established to undertake the commercial activities of the Institute, recorded a profit before tax, and before the donation under gift aid, of £25,497 (2012: £38,257).

The Chartered Institute for Securities & Investment continues to remain financially independent, deriving funding through fees charged in relation to its charitable activities such as individual membership, exams, and professional development events.

RESERVES POLICY

The Institute has high operational gearing in a cyclical industry and therefore requires sufficient reserves to draw upon during times of industry downturn and to meet its charitable objectives. The Board has therefore adopted a policy of maintaining free reserves at a level that is equivalent to between six and ten months' running costs. At the year end the total free reserves of the Institute amounted to £7,925,032 (2012: £7,061,601), which represented slightly more than eight months' running costs. While first discharging its obligations and carrying out its strategic plans, the Board hopes that, in the medium term, the Institute will be able to accumulate reserves closer to the upper end of the policy range. This policy, together with the approach to investing reserves, is reviewed and approved annually by the Board. Such a review has been conducted during the year, including reviewing rates of interest received from the Charity's deposit facilities utilised, to ensure that the Institute's investments continue to contribute effectively to the achievement of the aims of the organisation and are in line with the adopted policy. The policy of the Charity with regard to payments to suppliers is to make payments no later than the agreed terms in relation to the goods or service received.

INVESTMENT POLICY

The Board has delegated the regular review and supervision of the investment of surplus funds to an Investment Sub-Committee (ISC), appointed by the Board and comprising selected trustees, which is tasked with addressing the maintenance of a short term cash portfolio and a medium to long term capital portfolio.

The Cash Portfolio

This will consist of deposit accounts of various duration with institutions the ISC recommends, based on a review of credit risk, rates offered and administrative issues. When required, the Board is asked to approve the opening of any new accounts. There should be a spread of accounts and they will be reviewed regularly by the ISC. This Cash Portfolio will be Low Risk.

The Medium to Long Term Portfolio

The ISC and the Board will discuss the CISI's reserve funds on a regular basis and between them decide when and how much capital can be invested for a longer period. These funds will then fall within the Medium to Long Term Portfolio (MLTP) where there will be Widest Investment powers.

Funds in the MLTP will be invested with a view to achieving a total return in excess of that achievable on cash deposit over the medium to long term (3 to 5 years). The risk profile of the MLTP will be Medium Risk. The ISC will appoint qualified fund managers to manage the funds on a discretionary mandate and they will be expected to report to the ISC on a six monthly basis to a given benchmark agreed at the time of appointment. The Finance Director will also monitor progress of the investments on a regular basis.

The ISC will monitor the investments and review new opportunities on a regular basis; however, any appointment of managers will require the Board to delegate authority to the ISC on a case by case basis.

The Board and the ISC will consider styles of investment and any ethical or other restrictions it may have on a regular basis.

CHARITABLE GRANTS

In 2010, an independent charity, the Chartered Institute for Securities & Investment Educational Trust, was formed. The CISI is a corporate trustee of this charity, but the other trustees are all independent from the main board of the Institute. Its objectives are "to promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investment". During the year, the Institute made a significant donation of £250,000 to this charity.

VOLUNTEERS

The Institute derives benefit from the services of unpaid volunteers, by virtue of the time given by its Trustees (other than the Chairman who is remunerated for his services) and by practitioners who serve on various committees and panels. No donations in kind were received during the year.

RELATIONSHIPS WITH OTHER BODIES

In pursuit of its charitable objectives, the Institute provides relevant qualifications to the securities and investment industry, certain of which are on the Financial Skills Partnership's (formerly known as the Financial Services Skills Council) list of appropriate exams. The Institute is registered with the Charity Commission for England & Wales and with the Office of the Scottish Charity Regulator. It is also recognised by Ofqual as an awarding body for the securities and investment industry.

FIXED ASSETS

During the year, the Institute purchased tangible fixed assets amounting to £62,674 (2012: £73,343).

RESULTS

The results for the financial year are shown on page 11. The group's net retained resources for the year, including unrealised investment gains of £300,697, were £853,327 (2012: £699,966).

CORPORATE GOVERNANCE

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to guidance in respect of public benefit published by the Charity Commission.

Board

The Board of the Chartered Institute for Securities & Investment normally meets six times per year and comprises all non-executive Trustees. The Trustees are typically employed in senior positions within firms operating in the securities industry. They are identified by existing Board members for their expertise or nominated by members of the Institute. Up to 15 Trustees are elected for a term of three years, either by a ballot of the membership at the AGM, or by the Board. If Board-appointed, the Trustee is required to stand down from the Board at the next AGM and seek re-election by membership ballot, in accordance with the charity's articles.

Up to a further three Trustees may also be co-opted by the Board to serve such period as the Board decides. On election, or appointment, the new Trustees are given an induction which contains information on the Institute, its activities and their responsibilities under charity law. The Board appoints the Chairman and the Chief Executive. The Chief Executive is not a Trustee. At its meetings, the Board considers matters including:

- policy and strategy;
- financial performance, including annual budgets;
- responses to industry consultation papers; and
- reports from the standing committees.

The executive staff of the Institute submits management information to the Trustees to enable them to discharge their duties. The Trustees may take independent advice at the charity's expense.

Committees

The Board has delegated some of its powers to certain committees and a full list of all committees, together with the names of the serving Trustees, are shown on pages [] and []. Those committees to which the Board has delegated powers have specific terms of reference. The Audit Committee is chaired by David Nicol CA, Chartered FCSI.

Trustees' Remuneration

All Trustees give their time freely and are not paid for their trusteeship, with the exception of the Chairman who is remunerated for his services.

Financial Reporting

A summary of the Institute's operating performance is shown on pages 4 to 6. The Board considers that such information presents a balanced view of the group's position and prospects.

Key Risks

The following are the key risks assessed as the most significant for the Institute:

1. IT systems;
2. Reputational risk;
3. Effect of an economic slowdown;
4. Loss of key staff;
5. Managing a global business

Internal Control and Risk Management

The Trustees acknowledge that they are responsible for the maintenance of an effective system of internal control. However, no system of internal financial control can provide absolute assurance against material misstatement or loss. The Trustees have considered the major business risks and control objectives relevant to the Institute and controls were found to be appropriate and generally satisfactory. However, as part of an overall and continuing drive for quality, an ongoing review of internal controls is addressing those areas where controls may be improved. The Institute's control objectives include:

- the maintenance of the industry's confidence in the Institute's relevance, integrity and status;
- the identification and evaluation of business risks, through regular risk assessment and review, and the direction of operating and financial strategy;
- the nurturing of high ethical standards, effective communications and a strong overall control environment;
- the safeguarding of the assets of the Institute and the effective use of resources; and
- the promotion of detailed financial and operational controls necessary for the production of reliable and up-to-date financial information.

The Board has conducted a review of the effectiveness of the system of internal control for the year ended 31 March 2013. In pursuit of the above control objectives the Institute has in place a number of key internal controls and processes that include:

- liaising with its members and their employers to ensure the Institute's continued relevance;
- formally identifying, evaluating and reviewing risks;
- communicating the high standards of behaviour expected of its employees by inclusion of the Institute's code of conduct in employment contracts and additionally, through formal objective setting and performance appraisal schemes, including regularly identifying and taking action to satisfy training needs;

- creating a secure environment to protect the charity's assets and regularly reviewing management information to ensure the effective use of resources;
- seeking legal protection for CISI trade marks and domain names by registering them in appropriate jurisdictions;
- operating signing limits to ensure that the charity cannot be committed financially without proper authority, and producing regular financial reports for Board and Chairman's Committee review which include estimates and judgments made by the business managers.

The Institute's Audit Committee currently comprises three non-executive Trustees. Its scope includes the assessment of the cost effectiveness of the external Auditors, consideration of the financial statements of the Chartered Institute for Securities & Investment and the consideration of any internal control matters, which may be brought to its attention. The Board has reviewed the need for an internal audit function and does not consider that such a function is necessary given the size and nature of its operations.

REGISTERED OFFICE AND PROFESSIONAL ADVISERS

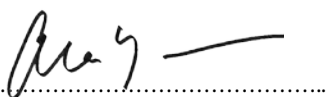
Registered Office 8 Eastcheap, London EC3M 1AE

Solicitors Bircham Dyson Bell LLP, 50 Broadway, London SW1H 0BL

Auditors Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London EC4Y 8EH

Bankers Bank of Scotland, 600 Gorgie Road, Edinburgh EH11 3XP

Approved by the Board of Trustees on 25 July 2013 and signed on behalf of the Board by



Alan Yarrow, Chartered FCSI(Hon)

Chairman

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the [Trustees' Annual Report] and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales/Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

We have audited the financial statements of the Chartered Institute for Securities & Investment for the year ended 31 March 2013 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 March 2013 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London EC4Y 8EH

2 August 2013

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2013

	Notes	2013 £	2012 £
INCOMING RESOURCES			
Incoming resources from charitable activities:			
Membership subscriptions		3,141,581	3,081,626
Membership entry fees		41,680	58,863
Qualifications and development		6,034,764	6,129,605
Publications and conferences		1,822,250	1,909,908
Investment income	4	162,364	140,154
Other incoming resources	5	574,462	325,589
TOTAL INCOMING RESOURCES		11,777,101	11,645,745
RESOURCES EXPENDED			
Charitable activities			
Dissemination & advancement of knowledge	3	7,575,776	7,565,749
Ethics	3	873,641	804,206
Consultation & research	3	2,693,018	2,522,446
Total charitable activities		11,142,435	10,892,401
Governance	3	82,036	94,666
TOTAL RESOURCES EXPENDED	2,3	11,224,471	10,987,067
NET INCOMING RESOURCES		552,630	658,678
OTHER RECOGNISED GAINS AND LOSSES			
Unrealised investment gains	7	300,697	41,288
NET MOVEMENT IN FUNDS FOR THE YEAR		853,327	699,966
FUNDS AS AT 1 APRIL 2012 & 2011		7,145,343	6,445,377
FUNDS AS AT 31 MARCH 2013 & 2012		7,998,670	7,145,343

As permitted by the SORP Paragraph 397 a separate statement of financial activities, for the charity only, has not been presented.

The group's activities derive wholly from continuing activities in the current and preceding year.

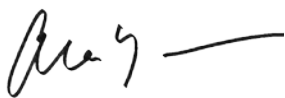
BALANCE SHEETS

As at 31 March 2013

	Notes	GROUP		CHARITY	
		2013	2012	2013	2012
		£	£	£	£
FIXED ASSETS					
Tangible assets	7	73,638	83,742	73,638	83,742
Investments	7	3,453,057	2,152,360	3,453,057	2,152,360
		<u>3,526,695</u>	<u>2,236,102</u>	<u>3,526,695</u>	<u>2,236,102</u>
CURRENT ASSETS					
Stock		957	6,246	957	6,246
Debtors	9	1,393,061	1,536,617	1,391,061	1,528,217
Cash at bank and in hand		6,020,148	6,834,334	6,019,314	6,833,503
		<u>7,414,166</u>	<u>8,377,197</u>	<u>7,411,332</u>	<u>8,367,966</u>
CREDITORS:					
amounts falling due within one year	10	(2,942,191)	(3,467,956)	(3,162,259)	(3,656,133)
NET CURRENT ASSETS		<u>4,471,975</u>	<u>4,909,241</u>	<u>4,249,073</u>	<u>4,711,833</u>
TOTAL NET ASSETS		<u>7,998,670</u>	<u>7,145,343</u>	<u>7,775,768</u>	<u>6,947,935</u>
REPRESENTED BY:					
Unrestricted income fund		<u>7,998,670</u>	<u>7,145,343</u>	<u>7,775,768</u>	<u>6,947,935</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 25 July 2013.

Signed on behalf of the Board of Trustees:



.....
Alan Yarrow, Chartered FCSI(Hon)
Chairman



.....
David Nicol, CA Chartered FCSI
Trustee

CONSOLIDATED CASH FLOW STATEMENT

Year Ended 31 March 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	12	86,124	779,536
Returns on investments and servicing of finance			
Interest received	4	162,364	140,154
Capital expenditure and financial investment			
Purchase of tangible assets	7	(62,674)	(73,343)
Purchase of investments		(1,000,000)	-
Net cash outflow from capital expenditure and financial investment		(1,062,674)	(73,343)
(Decrease/increase in cash in the year		(814,186)	846,347

Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
Change in net funds	(814,186)	846,347
Net funds at 1 April 2012	6,834,334	5,987,987
Net funds at 31 March 2013	6,020,148	6,834,334
Represented by:		
Cash at bank and in hand	6,020,148	6,834,334

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

1. ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention (modified by the revaluation of investments) in accordance with the Charities Act 2011, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice 'Accounting and Reporting by Charities, 2005 and in accordance with applicable accounting standards. References throughout these financial statements to the charity refer to the parent charity, Chartered Institute for Securities & Investment. The particular accounting policies adopted are described below.

Basis of Consolidation

The group financial statements consolidate the financial statements of Chartered Institute for Securities & Investment and its subsidiaries up to 31 March 2013 on a line by line basis. No separate Statement of Financial Activities has been presented for the charity alone as permitted by paragraph 397 of the Charities SORP 2005.

The net incoming resources of the charity for the year were £527,131 (2012: £661,712).

Basis of Accounting

After making enquires, the trustees have a reasonable expectation that the charity and group has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 9.

Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are shown in the balance sheet at the rate of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the Statement of Financial Activities in the expenditure of the charitable activities having been allocated amongst the other support costs shown in note 5 in the notes to the financial statements.

Membership Subscriptions

The membership subscription year runs from 1 April to 31 March. Subscriptions received from members are included in the financial statements in full for the year to which they relate. Sums received prior to the year end in respect of the forthcoming subscription year are treated as subscriptions received in advance in the balance sheet and taken to income in the new subscription year. Entry fees are taken to income as they are received.

Examination Entry Fees

The qualification registration fee attracts one year's free student membership and as such this income is recognised over the year. Examination fees are recognised only when the exam is taken.

Training Services Income

Income from courses and training services are accounted for on an accruals basis.

Investment Income

Income from bank deposits is accounted for on an accruals basis.

Allocation of Resources Expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Other salaries are allocated between expense headings on the basis of time spent, and other costs are allocated in proportion to direct costs relating to each charitable activity.

Governance Costs

Governance costs are those costs associated with the governance arrangements as opposed to fundraising or charitable activities, and include but are not limited to external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements eg, Trustees' meetings and statutory accounts.

Funds

All funds currently belonging to the charity are unrestricted. Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. An asset is capitalised when its original cost is in excess of £2,500. Depreciation is provided at rates calculated to write off the cost of fixed assets over the estimated useful lives of the assets. The rates of depreciation used in the year are as follows:

Computer equipment & telephones	Straight line, over three years
Fixtures and fittings	Straight line, over three years
Leasehold improvements	Straight line, over four years

Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year.

Investment in Subsidiary Undertaking

The investment in subsidiary undertaking is stated at cost less provision for any impairment.

Stocks

Stocks of workbooks and publicity items are valued at the lower of cost and net realisable value in accordance with SSAP 9.

Leases

Operating lease rentals are charged to the statement of financial activities in equal annual amounts over the lease term.

Pension Costs

The charity offers a defined contribution pension scheme in the UK and other appropriate arrangements overseas. In the UK the charity contributes fixed percentage rates of salary to an employees' personal pension scheme and has no further liability for the scheme, which is administered on behalf of the Chartered Institute for Securities & Investment's employees by an independent manager. The Institute's pension policy fulfils the requirements of the Employment Equality (Age) Regulations Act 2006; and the pension contribution is related to length of service. Two levels of contribution apply for contributions and some staff have previously been grandfathered into the higher level contributions under the new scheme.

Taxation

The Institute is registered as a charity and therefore benefits from exemption from corporation tax on certain sources of income, so long as the income is applied for charitable purposes.

Deferred Taxation

As the Institute's subsidiary company incurs corporation tax, a deferred tax liability may also arise on accelerated capital allowances within the subsidiary and other timing differences.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

None of the Trustees who served during the year received any emoluments from the charity in the current or prior year, with the exception of the Chairman. The charity's Royal Charter provides for the Chairman to be remunerated for his services and emoluments totalling £35,000 (2012: £35,000) were paid to the holder of that post during the year.

During the year, four of the Trustees were reimbursed by the Institute for travel and subsistence expenses incurred; these amounted to £2,153 (2012: five Trustees, £5,531).

Staff costs during the year	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Wages and salaries	4,795,554	4,680,047	4,788,473	4,673,876
Social security costs	464,911	453,120	464,659	452,868
Pension costs	422,777	421,249	422,777	421,249
	<u>5,683,242</u>	<u>5,554,416</u>	<u>5,675,909</u>	<u>5,547,993</u>

The emoluments (including taxable benefits in kind and bonuses but excluding pension contributions) of persons employed by the group as at the year end that exceeded £50,000 were as follows:

	2013	2012
	No	No
£60,001 - £70,000	3	2
£70,001 - £80,000	3	4
£80,001 - £90,000	2	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£160,001 - £170,000	1	1
£290,001 - £300,000	1	1

The average number of persons employed by the group in the year (including term contract posts) was as follows:

	2013	2012
Dissemination & advancement of knowledge	86	86
Ethics 11	9	
Consultation & research	22	22
Governance	2	2
	121	119
Operations	27	26
Business development	7	7
CISI (Services) Ltd	1	1
Membership, professional development & marketing	20	18
Qualifications & development (including international)	28	28
Management & administrative support	9	9
	92	89
Overseas staff	24	21
Temporary positions	5	9
	121	119

3. RESOURCES EXPENDED

Resources expended include the following:

	2013	2012
	Group	Group
	£	£
Depreciation of assets	72,778	89,532
Rentals under operating leases	717,833	637,576
Auditors' remuneration for audit work	24,600	23,900
Auditors' remuneration for other services	6,070	6,950

Analysis of total resources expended:

GROUP	Staff Costs	Depreciation	Other Direct	Other Support	Total 2012-13	Total 2011-12
	£	£	£	£	£	£
Charitable activities:						
Dissemination & advancement of knowledge	4,053,241	46,629	1,953,840	1,522,066	7,575,776	7,565,749
Ethics	511,262	4,797	201,000	156,582	873,641	804,206
Consultation & research	1,080,008	21,352	894,686	696,972	2,693,018	2,522,446
Governance	38,731	-	43,305	-	82,036	94,666
Total	5,683,242	72,778	3,092,831	2,375,620	11,224,471	10,987,067

Governance costs comprise board & committee expenses, audit and legal fees and costs arising in relation to the provision of company secretarial and corporate registration services.

Other direct costs comprise the non-staff costs associated with the delivery of the different charitable activities whilst the other support costs comprise the overall establishment and office costs of the charity, which are allocated across the charitable activities and governance headings.

Analysis of other support costs:

	Dissemination & advancement of knowledge	Ethics	Consultation & research	Total 2012-13	Total 2011-12
	£	£	£	£	£
Premises	517,804	53,269	237,109	808,182	738,244
Printing, postage & stationery	85,097	8,754	38,967	132,818	136,705
Marketing	69,860	7,187	31,990	109,037	156,368
Travel & subsistence	36,787	3,784	16,845	57,416	63,023
Irrecoverable VAT	285,040	29,323	130,523	444,886	434,336
Communications & IT	312,843	32,184	143,254	488,281	370,001
Equipment hire	41,945	4,315	19,207	65,467	87,116
Other	172,690	17,766	79,077	269,533	323,839
Total	1,522,066	156,582	696,972	2,375,620	2,309,632

4. INVESTMENT INCOME

	2013	2012
	£	£
UK bank interest receivable	162,364	140,154

5. OTHER INCOMING RESOURCES

The figure of other incoming resources in the Statement of Financial Activities includes income from regional, social and networking activities of £124,397 (2012: £129,496), consultancy services in Singapore of £113,115 (2012: £111,355), income to defray the costs of the London annual dinner of £50,900 (2012: £22,360), and income relating to the issuance of Statements of Professional Standing of £233,900 (2012: £9,202).

6. TAXATION

The Chartered Institute for Securities & Investment is a charity and enjoys certain exemptions from tax according to Part 11 Corporation Tax Act 2010. Accordingly no liability to UK Corporation Tax arises on its activities.

The subsidiary company, the Chartered Institute for Securities & Investment (Services) Ltd, has no tax liability because of brought forward trading losses. The Singapore subsidiary is subject to local taxation requirements. There is no tax liability because of accumulated tax losses.

Deferred Taxation

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses carried forward and capital allowances in excess of depreciation, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £10,495 (2012 - £15,594). The asset would be recovered if suitable, sufficient taxable profits arise in the foreseeable future.

7. FIXED ASSETS

TANGIBLE ASSETS

Group and Charity	Computer equipment	Fixtures and fittings	Leasehold improvements	Total
Cost	£	£	£	£
As at 31 March 2012	310,073	133,371	395,066	838,510
Removal of assets older than five years	(95,449)	(11,076)	-	(106,525)
Additions	62,674	-	-	62,674
As at 31 March 2013	277,298	122,295	395,066	794,659
Depreciation				
As at 31 March 2012	242,830	116,872	395,066	754,768
Removal of assets older than five years	(95,449)	(11,076)	-	(106,525)
Charge for the year	65,729	7,049	-	72,778
As at 31 March 2013	213,110	112,845	395,066	721,021
Net book value 31 March 2013	64,188	9,450	-	73,638
Net book value 31 March 2012	67,243	16,499	-	83,742

INVESTMENTS

Group and Charity	2013	2012
	£	£
Balance at market value as at 31 March 2012	2,152,360	2,111,072
Additions at cost during year	1,000,000	-
Unrealised gain during year	300,697	41,288
Balance at market value as at 31 March 2013	3,453,057	2,152,360

The investment balance represents 2,629,898 units in Barings Targeted Return Accumulation Fund at market value (original cost: £3,000,000).

8. SUBSIDIARY COMPANIES

On 1 March 1994, the charity's predecessor established a wholly-owned subsidiary company, Securities & Investment Institute (Services) Ltd, now known as Chartered Institute for Securities & Investment (Services) Ltd. The subsidiary company is registered in England and Wales. The value of the investment has been written off in the charity's financial statements.

The purpose of Chartered Institute for Securities & Investment (Services) Ltd is to carry on the trading activities of the Chartered Institute for Securities & Investment, which comprises bespoke training courses and non-charitable activities carried out on behalf of the Chartered Institute for Securities & Investment.

Subsidiary operations were also incorporated in Singapore (3 April 2006), in India (8 July 2006), in the People's Republic of China (20 August 2007), and in Dubai (15 July 2009). The companies in India and Dubai are liaison offices which represent and promote the interests of Chartered Institute for Securities & Investment. Chartered Institute for Securities & Investment (Singapore) PTE Ltd began trading during the year to 31 March 2007 and Securities & Investment Institute (China) received its WOFE (wholly owned foreign enterprise) licence in January 2008.

In January 2011 a wholly-owned company was registered in Sri Lanka. This company acts as liaison office, in the same way as the ones in India and Dubai, and does not trade in its own right.

There are also the following wholly-owned dormant companies in the group:

Institute of Wealth Management Ltd

The Compliance Institute

Both companies were incorporated in England and Wales.

No details of the income/expenditure and assets/liabilities of the overseas subsidiaries are included in the figures below which relate to the UK services company (Chartered Institute for Securities & Investment (Services) Ltd). Any income and funding costs of the overseas subsidiaries are reflected in the group figures.

Chartered Institute for Securities & Investment (Services) Ltd	Investment in Subsidiary
	£
Cost	
31 March 2012 and 31 March 2013	<u>500,000</u>
Provision for impairment of value	
31 March 2012 and 31 March 2013	<u>500,000</u>
Net book value	
31 March 2012 and 31 March 2013	<u>-</u>

For the year ended 31 March 2013, the subsidiary's profit and loss account showed:

	2013	2012
	£	£
Income	58,449	62,404
Expenses	32,952	24,147
Profit for the year before taxation and donation under gift aid	<u>25,497</u>	<u>38,257</u>
Its balance sheet showed:		
Current assets	222,902	197,408
Current liabilities	-	-
Funds	<u>222,902</u>	<u>197,408</u>

For the year ended 31 March 2013, the subsidiary made a donation under gift aid of £3 (2012: £3) in order that no liability to corporation tax would arise, as described in note 6.

9. DEBTORS

	2013		2012	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	1,005,389	1,003,389	1,177,138	1,168,738
Other debtors	29,158	29,158	8,162	8,162
Prepayments and accrued income	358,514	358,514	351,317	351,317
	<u>1,393,061</u>	<u>1,391,061</u>	<u>1,536,617</u>	<u>1,528,217</u>

10. CREDITORS

Amounts falling due within one year	2013		2012	
	Group £	Charity £	Group £	Charity £
Subscriptions received in advance	191,282	191,282	292,892	292,892
Trade creditors	162,586	162,586	216,714	216,714
Other taxes and social security	344,518	344,518	330,738	330,738
Other creditors	87,448	87,448	50,044	50,044
Accruals and deferred income	2,156,357	2,156,357	2,577,568	2,577,568
Amounts owed to subsidiary undertaking	-	-	-	-
		220,068		188,177
	2,942,191	3,162,259	3,467,956	3,656,133

Income received in advance during the year can be summarised as follows:

	Balance brought forward at 1 April 2012 £	Received during the year £	Balance carried forward at 31 March 2013 £	Income recognised during year £
Membership subscriptions (including received from students)	430,563	3,008,391	297,373	3,141,581
Qualifications & development	904,926	5,701,352	571,514	6,034,764
Publications & conferences	81,014	1,747,869	6,633	1,822,250
Other income	-	574,462	-	574,462
	1,416,503	11,032,074	875,520	11,573,057

11. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 March 2013, the charity was committed to making the following future annual payments in respect of operating leases:

Leases which expire:	2013	2012
	Land and Buildings £	Land and Buildings £
Between two and five years	81,218	78,742
More than five years	716,019	717,586
	797,237	796,328

At 31 March 2013 the group and the charity had no financial commitments which were contracted for but not provided.

12. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources	552,630	658,678
Investment income	(162,364)	(140,154)
Depreciation	72,778	89,532
Decrease/(increase) in stocks	5,289	(1,268)
Decrease/(increase) in debtors	143,556	(79,859)
(Decrease)/increase in creditors	(525,765)	252,607
Net cash inflow from operating activities	86,124	779,536

13. JOINT VENTURE

The company has a 50% holding in Investing In Integrity Limited, which was incorporated in England and Wales. The total cost of this investment is £5,000. That company's principal activity is the promotion of integrity in business practices by the granting of a charter mark to approved organisations. During the year, it made a net loss of £7.



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Company Registration No. RC000834

Registered Charity No.1132642 (England & Wales)
SC040665 (Scotland)

cisi.org

August 2013

